

**STATE RISK MANAGEMENT FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2008**

	June-08				March-08				December-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	FYTD Net	FY07 Net	Ended 6/30/2008 Net	Ended 6/30/2008 Net
<b>LARGE CAP DOMESTIC EQUITY</b>																				
<i>Structured Growth</i>																				
Los Angeles Capital	119,125	3.3%	3.4%	4.70%	116,985	3.2%	3.4%	-10.92%	119,624	3.2%	3.4%	-1.51%	127,501	3.4%	3.4%	0.38%	-7.79%	21.84%	7.68%	N/A
<b>Total Structured Growth</b>	<b>119,125</b>	<b>3.3%</b>	<b>3.4%</b>	<b>4.70%</b>	<b>116,985</b>	<b>3.2%</b>	<b>3.4%</b>	<b>-10.92%</b>	<b>119,624</b>	<b>3.2%</b>	<b>3.4%</b>	<b>-1.51%</b>	<b>127,501</b>	<b>3.4%</b>	<b>3.4%</b>	<b>0.38%</b>	<b>-7.79%</b>	<b>21.84%</b>	<b>7.68%</b>	<b>9.56%</b>
<i>Russell 1000 Growth</i>				1.25%				-10.18%				-0.77%				4.21%	-5.96%	19.04%	5.91%	7.32%
<i>Structured Value</i>																				
LSV	105,014	2.9%	3.4%	-6.98%	115,947	3.2%	3.4%	-9.75%	117,021	3.1%	3.4%	-5.55%	124,303	3.3%	3.4%	-0.91%	-21.43%	23.77%	3.81%	11.57%
Russell 1000 Value				-5.31%				-8.72%				-5.80%				-0.24%	-18.78%	21.87%	3.53%	8.92%
<i>Russell 1000 Enhanced Index</i>																				
LA Capital	231,762	6.4%	6.8%	1.62%	234,511	6.4%	6.8%	-10.22%	237,944	6.4%	6.8%	-1.07%	253,828	6.8%	6.8%	0.24%	-9.54%	21.27%	6.97%	N/A
Russell 1000				-1.89%				-9.48%				-3.23%				1.98%	-12.36%	20.43%	4.81%	
<i>S&amp;P 500 Enhanced Index</i>																				
Westridge	234,941	6.5%	6.8%	-2.37%	265,903	7.3%	6.8%	-9.15%	266,676	7.1%	6.8%	-3.07%	281,306	7.5%	6.8%	2.15%	-12.18%	21.12%	4.98%	N/A
S&P 500				-2.73%				-9.44%				-3.33%				2.03%	-13.12%	20.59%	4.41%	
<i>Index</i>																				
State Street	76,672			-2.27%	86,696			-10.68%	72,386			-5.72%	77,081			-0.66%	-18.24%	21.82%	2.93%	6.64%
<b>Total 130/30</b>	<b>76,672</b>	<b>2.1%</b>	<b>2.3%</b>	<b>-2.27%</b>	<b>86,696</b>	<b>2.4%</b>	<b>2.3%</b>	<b>-10.68%</b>	<b>72,386</b>	<b>1.9%</b>	<b>2.3%</b>	<b>-5.72%</b>	<b>77,081</b>	<b>2.1%</b>	<b>2.3%</b>	<b>-0.66%</b>	<b>-18.24%</b>	<b>21.82%</b>	<b>2.93%</b>	<b>6.64%</b>
S&P 500				-2.73%				-9.44%				-3.33%				2.03%	-13.12%	20.59%	4.41%	7.59%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>767,514</b>	<b>21.3%</b>	<b>22.5%</b>	<b>-0.84%</b>	<b>820,042</b>	<b>22.5%</b>	<b>22.5%</b>	<b>-9.95%</b>	<b>813,651</b>	<b>21.7%</b>	<b>22.5%</b>	<b>-2.85%</b>	<b>864,019</b>	<b>23.1%</b>	<b>22.5%</b>	<b>0.62%</b>	<b>-12.71%</b>	<b>21.86%</b>	<b>5.68%</b>	<b>9.31%</b>
S&P 500				-2.73%				-9.44%				-3.33%				2.03%	-13.12%	20.59%	4.41%	7.59%
<b>SMALL CAP DOMESTIC EQUITY</b>																				
<i>Manager-of-Managers</i>																				
SEI	126,932	3.5%	3.8%	-0.80%	138,987	3.8%	3.8%	-11.52%	134,084	3.6%	3.8%	-6.42%	143,023	3.8%	3.8%	-3.74%	-20.93%	18.39%	2.06%	9.10%
Russell 2000 + 200bp				1.09%				-9.43%				-4.09%				-2.60%	-14.48%	18.76%	5.88%	12.50%
<i>Enhanced</i>																				
Research Affiliates	123,989	3.4%	3.8%	-2.98%	138,683	3.8%	3.8%	-6.82%	127,077	3.4%	3.8%	-7.07%	136,366	3.6%	3.8%	N/A	N/A	N/A	N/A	N/A
Russell 2000				0.58%				-9.90%				-4.58%				-3.09%	-16.19%			
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>250,921</b>	<b>7.0%</b>	<b>7.5%</b>	<b>-1.89%</b>	<b>277,671</b>	<b>7.6%</b>	<b>7.5%</b>	<b>-9.24%</b>	<b>261,161</b>	<b>7.0%</b>	<b>7.5%</b>	<b>-6.74%</b>	<b>279,389</b>	<b>7.5%</b>	<b>7.5%</b>	<b>-5.05%</b>	<b>-21.14%</b>	<b>18.39%</b>	<b>1.97%</b>	<b>9.04%</b>
Russell 2000				0.58%				-9.90%				-4.58%				-3.09%	-16.19%	16.44%	3.79%	10.29%
<b>DOMESTIC FIXED INCOME</b>																				
<i>Core Bond</i>																				
Western Asset	719,854	20.0%	20.2%	-0.39%	697,678	19.2%	20.2%	-1.03%	744,746	19.9%	20.2%	1.63%	728,665	19.5%	20.2%	1.87%	2.06%	7.29%	2.76%	3.55%
Lehman Aggregate				-1.02%				2.17%				3.00%				2.84%	7.12%	6.12%	4.09%	3.86%
<i>Mortgage Backed</i>																				
Hyperion	166,542	4.6%	5.2%	-10.59%	178,441	4.9%	5.2%	-8.07%	199,213	5.3%	5.2%	-1.11%	198,326	5.3%	5.2%	-1.88%	-20.24%	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				-1.34%				4.18%				3.15%				3.88%	10.14%			
<i>Core Plus/Enhanced</i>																				
Clifton Group	209,819	5.8%	5.2%	-1.15%	210,217	5.8%	5.2%	3.34%	217,107	5.8%	5.2%	3.64%	205,732	5.5%	5.2%	4.06%	10.17%	5.52%	N/A	N/A
Prudential	212,191	5.9%	5.2%	-0.50%	204,520	5.6%	5.2%	0.95%	208,162	5.6%	5.2%	2.45%	200,267	5.4%	5.2%	1.94%	4.89%	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>422,010</b>	<b>11.7%</b>	<b>10.4%</b>	<b>-0.83%</b>	<b>414,737</b>	<b>11.4%</b>	<b>10.4%</b>	<b>2.17%</b>	<b>425,269</b>	<b>11.4%</b>	<b>10.4%</b>	<b>3.05%</b>	<b>405,999</b>	<b>10.9%</b>	<b>10.4%</b>	<b>3.00%</b>	<b>7.55%</b>	<b>5.95%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				-1.02%				2.17%				3.00%				2.84%	7.12%	6.12%		
<i>Index</i>																				
Bank of ND	362,789	10.1%	9.1%	-1.53%	359,787	9.9%	9.1%	2.94%	372,558	9.9%	9.1%	3.05%	362,719	9.7%	9.1%	3.10%	7.68%	5.45%	3.93%	3.28%
Lehman Gov/Credit (1)				-1.51%				2.53%				3.10%				3.01%	7.24%	6.00%	3.84%	3.24%
<i>BBB Average Quality</i>																				
Wells Capital (formerly Strong)	727,469	20.2%	20.2%	-0.31%	710,770	19.5%	20.2%	0.37%	738,321	19.7%	20.2%	1.98%	718,998	19.2%	20.2%	1.48%	3.55%	7.93%	3.04%	3.85%
Lehman US Credit BAA				0.11%				-1.05%				1.90%				1.67%	2.62%	7.54%	2.52%	3.59%
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>2,398,664</b>	<b>66.6%</b>	<b>65.0%</b>	<b>-1.39%</b>	<b>2,361,412</b>	<b>64.8%</b>	<b>65.0%</b>	<b>-0.04%</b>	<b>2,480,107</b>	<b>66.2%</b>	<b>65.0%</b>	<b>1.96%</b>	<b>2,414,708</b>	<b>64.5%</b>	<b>65.0%</b>	<b>1.80%</b>	<b>2.32%</b>	<b>7.11%</b>	<b>3.89%</b>	<b>5.04%</b>
Lehman Aggregate (2)				-1.02%				2.17%				3.00%				2.84%	7.12%	6.12%	4.09%	3.73%
<b>CASH EQUIVALENTS</b>																				
Bank of ND	185,642	5.2%	5.0%	0.49%	183,425	5.0%	5.0%	0.70%	190,628	5.1%	5.0%	0.96%	183,769	4.9%	5.0%	1.24%	3.43%	5.36%	4.10%	3.38%
90 Day T-Bill				0.31%				0.88%				1.05%				1.34%	3.63%	5.21%	4.27%	3.18%
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>3,602,741</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.10%</b>	<b>3,642,551</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-2.79%</b>	<b>3,745,547</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.19%</b>	<b>3,741,884</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.01%</b>	<b>-2.70%</b>	<b>11.20%</b>	<b>3.47%</b>	<b>4.88%</b>
POLICY TARGET BENCHMARK				-1.11%				-1.48%				0.92%				2.17%	0.45%	10.02%	4.31%	5.12%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.